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Democrats Want to Address Pay Gap for Feds on Active Duty

By Stephen Barr

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A group of House Democrats is trying to revive a proposal that would require federal agencies to make up the difference between civil service and military pay for federal employees on active military duty.

Rep. Tom Lantos (Calif.) and 13 other House Democrats are trying to bring back a legislative provision that has been dropped from the fiscal 2004 defense authorization bill, which is under negotiation in Congress.

"With deployments being extended ever longer, this provision is becoming more necessary for our nation's reservists," the Democrats said in a letter sent to Reps. Thomas M. Davis III (R-Va.) and Henry A. Waxman (Calif.), the chairman and ranking Democrat on the House Government Reform Committee.

Three months ago, with no opposition, the Government Reform Committee approved a proposal to close any pay gap faced by civil service employees who are called to active duty in the reserves. The proposal was part of a larger bill that would revamp the pay and personnel rules for federal employees at the Defense Department.

But the provision was dropped when the House Armed Services Committee, chaired by Rep. Duncan Hunter (R-Calif.), put together the annual defense authorization bill. Negotiators are meeting to resolve differences between the House and Senate versions, and Davis and Waxman have seats at the table to debate issues involving civil service employees.

Congressional efforts to make up the difference in pay have been debated in previous years but have stalled. Opponents, including some Defense Department officials, point out that joining the reserves or the National Guard is voluntary, and that federal employees who volunteer should understand the financial implications associated with being called to active duty.

But supporters of closing the pay gap argue that times have changed since the terrorist attacks of Sept. 11, 2001, and that reserve and guard units are being called up more frequently and for longer periods of time. An aide to Lantos said about 200 private-sector employers and about 50 state and local governments make up the difference in pay for their workers.

About 13 percent of the troops activated at the height of the Iraq war were federal employees, a Lantos aide said. A recent estimate shows that 11,600 reservists employed by the government suffered from a pay gap during the war, the aide said.

Making up the difference between civil service and military pay would cost about \$89 million over five years, according to the aide.

Tax Relief for the Military?

The Military Officers Association of America is appealing to President Bush for help in ending the ping-

pong treatment of tax relief legislation for military and foreign service personnel.

The legislation would end capital gains tax penalties for personnel who cannot meet homeowner occupancy requirements because they have been assigned elsewhere for several years. It would restore a tax deduction for travel and lodging for reservists and guard members who drill far from their homes.

It also would end taxation of the \$6,000 military death gratuity paid to surviving spouses. Only \$3,000 of that amount is now a tax-free payment.

The changes have been debated for several years and approved in various forms by both the House and Senate. In May, the House sent the latest version of the legislation to the Senate. One of the sticking points is how far a military family must have been sent from home to qualify for a suspension of occupancy rules. One version sets the distance at 50 miles, the other 150 miles.

New Talent at Labor and HHS

The Departments of Labor and Health and Human Services have welcomed their second groups of professionals brought into the government through special recruitment programs.

The Labor Department welcomed its second class of MBA fellows July 14. The 18 business school graduates will be given assignments to develop their management skills.

HHS yesterday welcomed 64 professionals into its Emerging Leaders program. All hold advanced degrees and, like the MBA fellows, will rotate through assignments over the next two years.

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